

Currently retired participants will represent 75% of the total paid claims in the year 2002 and 41% in the year 2012.

#### Expected Postretirement Benefit Obligation

The Expected Postretirement Benefit Obligation (EPBO) in any year represents the full actuarial present value of postretirement benefits, including administrative expenses, for all active and retired employees at that time.

As of January 1, 1993, the total actuarial liability for postretirement life insurance benefits for SBC is \$324.7 Million. This EPBO is expected to grow to \$474.4 Million in the year 2002 and \$704.8 Million in the year 2012.

Twenty-three percent of the 1993 EPBO is for claims that will be incurred prior to age 65. Currently retired participants and their dependents account for 50% of the total 1993 liability.

#### Accumulated Postretirement Benefit Obligation

The Accumulated Postretirement Benefit Obligation (APBO) represents that portion of the total liability assigned prior to the valuation year by FAS 106. The liability for current retirees is fully reflected in the APBO. The liability for active employees is included in the APBO based upon the ratio of the number of completed years of service to the number of years of service that will be completed when the employee is expected to retire. This is a somewhat longer attribution period than applies to other postretirement welfare benefits.

As of January 1, 1993, the APBO for Southwestern Bell Corporation is \$258.1 Million. Of this, 22% represents claims that will be incurred prior to age 65.

### Assets

FAS 106 recognizes plan assets for expense purposes to the extent they are segregated and restricted for the exclusive benefit of retirees. Plan assets in excess of the APBO as of the date of adoption of FAS 106 represents the Transition Asset. SBC has historically advance funded a portion of its postretirement life insurance obligations, resulting in assets of \$290.5 Million as of January 1, 1993, and a Transition Asset on that date of \$32.4 Million.

SBC has elected full immediate recognition of the Transition Asset in 1993 expense. This results in substantially lower expense in 1993 but increased expense levels in subsequent years.

### Expense

FAS 106 expense is the sum of several individual components: (1) service cost -- the cost of benefits being earned in the current fiscal period; (2) interest on the Accumulated Postretirement Benefit Obligation and Service Cost; (3) interest credited on any accumulated trust assets; (4) amortization of gains and losses or plan amendments; and (5) for 1993 only, the Transition Asset.

Expense for 1993 is (\$30.9) Million. The effect of immediate recognition of the Transition Asset on 1993 expense is as follows:

	(millions)
■ Expense before Transition Asset	\$ 1.5
■ Transition Asset	<u>(\$ 32.4)</u>
■ Total Expense	(\$ 30.9)

**1993 Liability Breakdown**

Breakdowns of the 1993 liability results between management and nonmanagement employees and between active and retired employees are presented in Appendix B.

Table A

**SBC POSTRETIREMENT LIFE INSURANCE VALUATION**  
**Basic Valuation Results – Total Corporation**  
**(\$000)**

<u>Year</u>	<u>Claims</u>	<u>EPBO</u>	<u>APBO</u>	<u>Assets</u>	<u>Service Cost</u>	<u>Expense</u>	<u>Expense as % of Payroll</u>
1993	\$12,076	\$324,661	\$258,107	\$290,464	\$4,988	\$1,497 *	0.08%
1994	12,208	337,278	270,304	300,355	5,289	1,947	0.09%
1995	12,364	350,915	283,603	310,876	5,605	2,442	0.11%
1996	12,605	365,610	298,078	322,240	5,917	2,955	0.13%
1997	12,935	381,366	313,726	334,242	6,240	3,515	0.15%
1998	13,454	398,150	330,551	346,856	6,531	4,081	0.17%
1999	14,109	415,913	348,414	359,945	6,799	4,662	0.19%
2000	15,020	434,591	367,223	373,484	6,999	5,203	0.21%
2001	16,005	454,103	386,716	387,303	7,195	5,767	0.22%
2002	17,174	474,382	406,864	401,379	7,341	6,309	0.23%
2003	18,434	495,386	427,467	415,608	7,461	6,840	0.25%
2004	19,884	517,057	448,432	429,949	7,523	7,327	0.26%
2005	21,434	539,322	469,533	444,294	7,557	7,791	0.27%
2006	23,099	562,095	490,654	458,578	7,577	8,244	0.28%
2007	24,853	585,301	511,646	472,744	7,591	8,692	0.28%
2008	26,745	608,848	532,411	486,751	7,583	9,104	0.29%
2009	28,686	632,655	552,764	500,525	7,599	9,532	0.30%
2010	30,757	656,625	572,648	514,361	7,581	9,881	0.30%
2011	32,776	680,711	591,853	527,532	7,625	10,297	0.30%
2012	34,787	704,838	610,453	540,391	7,712	10,739	0.31%

\* Excludes Transition Asset of \$ 32,357,000 taken in 1993 expense

### SECTION III -- SENSITIVITY OF RESULTS

Estimates of the liability and expense for postretirement life insurance are sensitive to a number of assumptions, of which the following are perhaps most significant:

Discount Rate. The discount rate is used to adjust future expected benefit payments to the current measurement date to reflect the time value of money. The discount rate used in Section II corresponds to the rate currently in effect for pension expense purposes. An increase in the discount rate would result in lower liabilities and expense.

Salary Increase Rate. The salary increase rate is used to anticipate increases in life insurance amounts. The salary increase rate used in Section II is not a flat rate but a pattern of rates, decreasing by attained age. A decrease in the salary increase rate would result in lower liabilities and expense.

Table B reviews the valuation results for 1993 assuming an 8.5% discount rate in place of the 7.5% discount rate used in Section II. The following table summarizes the changes in the liability and expense results (figures may vary from those in Table B due to rounding):

<u>Change in Discount Rate</u>			
(millions)			
	<u>7.5%</u>	<u>8.5%</u>	<u>Percentage Change</u>
Expected Postretirement Benefit Obligation	\$ 324.7	\$273.2	(15.9)%
Accumulated Postretirement Benefit Obligation	\$ 258.1	\$222.8	(13.7)%
Expense: Transition Asset	\$ 32.4	\$ 67.7	109.0%
Ongoing Cost	\$ 1.5	(\$ .1)	(106.7)%

A 1% decrease in the salary increase rate has not been measured. However, it can be expected to have roughly one-half the effect of a 1% change in discount rate for the EPBO and APBO determinations. The effect on expense, on the other hand, can be expected to be similar to the effect of a change in the discount rate.

Table B

**SBC POSTRETIREMENT LIFE INSURANCE VALUATION**  
**1993 Sensitivity Results – Total Corporation**  
**(\$000)**

	<u>Base Results</u>	<u>Discount Rate Change</u> <u>1% Increase</u>	<u>% Change</u>
Claims	\$12,076	\$12,076	0.0%
EPBO	324,661	273,232	-15.8%
<u>APBO</u>			
Retirees	162,101	146,389	-9.7%
Fully eligible active participants	19,117	16,314	-14.7%
Other active participants	<u>76,889</u>	<u>60,065</u>	-21.9%
Total	258,107	222,768	-13.7%
Assets	290,464	290,464	0.0%
Service Cost	4,988	3,895	-21.9%
<u>Expense</u>			
Transition Asset	32,357	67,696	109.2%
Ongoing Cost	1,497	(120)	-108.0%

## SECTION IV -- SUMMARY OF PLAN PROVISIONS

### I. **SBC Group Life Insurance Program**

#### A. **Basic Plan Information**

- |     |               |  |
|-----|---------------|--|
| (1) | Plan Name:    | Southwestern Bell Corporation Basic Group Life Insurance Program |
| (2) | Plan Sponsor: | Southwestern Bell Corporation and Participating Subsidiaries     |
| (3) | Plan Year:    | January 1 through December 31                                    |

- |    |                           |  |
|----|---------------------------|--|
| B. | <b><u>Eligibility</u></b> | Regular active employees and retired employees of Southwestern Bell Corporation and Participating Subsidiaries |
|----|---------------------------|--|

- |    |   |   |
|----|---|---|
| C. | <b><u>Requirements for Benefits</u></b> | Service or disability retirement from the Southwestern Bell Corporation Management Pension Plan or the Southwestern Bell Corporation Pension Plan |
|----|---|---|

#### D. **Benefits Defined**

(1)	Retirement prior to December 1, 1957	<table><tr><th><u>Annual Basic Pay At Retirement</u></th><th><u>Basic Life Insurance 1991 and Later</u></th></tr><tr><td>Under \$3,000</td><td>\$1,500</td></tr><tr><td>\$3,000-\$3,999</td><td>2,000</td></tr><tr><td>\$4,000-\$4,999</td><td>2,500</td></tr><tr><td>\$5,000-\$5,999</td><td>3,000</td></tr><tr><td>\$6,000-\$6,999</td><td>3,500</td></tr><tr><td>\$7,000-\$7,999</td><td>4,000</td></tr><tr><td>\$8,000-\$8,999</td><td>4,500</td></tr><tr><td>\$9,000 and over</td><td>5,000</td></tr></table>	<u>Annual Basic Pay At Retirement</u>	<u>Basic Life Insurance 1991 and Later</u>	Under \$3,000	\$1,500	\$3,000-\$3,999	2,000	\$4,000-\$4,999	2,500	\$5,000-\$5,999	3,000	\$6,000-\$6,999	3,500	\$7,000-\$7,999	4,000	\$8,000-\$8,999	4,500	\$9,000 and over	5,000
<u>Annual Basic Pay At Retirement</u>	<u>Basic Life Insurance 1991 and Later</u>																			
Under \$3,000	\$1,500																			
\$3,000-\$3,999	2,000																			
\$4,000-\$4,999	2,500																			
\$5,000-\$5,999	3,000																			
\$6,000-\$6,999	3,500																			
\$7,000-\$7,999	4,000																			
\$8,000-\$8,999	4,500																			
\$9,000 and over	5,000																			



(2) Retirement after  
November 30, 1957  
and not member of  
Senior Management  
Group:

(a) Basic Life Insurance Amount      100% of annual basic pay at retirement rounded to next higher multiple of \$1,000; for individuals retiring between January 1, 1979 and August 9, 1980, basic pay at normal retirement date used in lieu of basic pay at retirement.

(b) Reductions:

(i) Retirement after August 6, 1977      Basic life insurance amount in (a) reduced 10% for each year over age 65, with maximum reduction of 50%.

(ii) Retirement before August 7, 1977      Effective in 1991 and later, lesser of (i) or following percentage of basic life insurance amount based on date of retirement:

<u>Date of Retirement</u>	<u>Percentage</u>
8/7/76-8/6/77	100%
8/7/75-8/6/76	90%
8/7/74-8/6/75	80%
8/7/73-8/6/74	70%
8/7/72-8/6/73	60%
Before 8/7/72	50%

(c) Minimum Coverage      \$1,500

(3) Retirement after  
November 30, 1957  
and member of Senior  
Management Group:

(a) Retired before  
1984

Same benefits as in (2).

(b) All other

Basic life insurance amount equal to lesser  
of \$50,000 or 50% of annual basic pay at  
retirement.

E. Retiree Contribution

The entire cost of the plan is paid by  
Southwestern Bell Corporation.

## **II. Other**

A. Basic Plan Information

(1) Plan Name:

Associated Directory Services, Inc.  
Group Life AD&D Insurance Plan

(2) Plan Sponsor:

Associated Directory Services, Inc. and  
Participating Subsidiaries

B. Eligibility

Regular full-time active and retired  
management and nonmanagement  
employees of Associated Directory  
Services, Inc. and Participating Subsidiaries;  
spouses and other dependents of  
management retirees are eligible for  
company paid coverage only while the  
retiree is living.

C. Requirements for Benefits

Retirement at age 55 or older with at least  
ten years of service, or age 65 or older with  
no service requirement

## SECTION V -- SUMMARY OF PARTICIPANT DATA

### Participant Data

Southwestern Bell Corporation presently provides postretirement life insurance for employees of the following corporate entities:

<u>Provided</u>	<u>Not Provided</u>
SBC Administrative Services, Inc.	BVMS, Inc.
SBC Asset Management, Inc.	Golf Club of Oklahoma
Associated Directory Services, Inc.	SB Messaging Services, Inc.
SB Audit Services, Inc.	Metromedia Paging Services, Inc.
SBC Corporate Services, Inc.	SB Mobile Systems, Inc.
SB Interactive Technologies, Inc.	Summit Telemarketing, Inc.
SB International Holdings Corp.	Worldwide Directory Product Sales, Inc.
SBC Management Services, Inc.	
Mast International, Ltd.	
SB Personnel Services, Inc.	
SB Printing Company	
SB Technology Resources Inc.	
SB Telecommunications, Inc.	
SB Telephone Company	
Times Journal Publishing Company	
SB Washington, Inc.	
SB Yellow Pages, Inc.	

Data for active and retired employees as of January 1, 1993 was supplied on computer tape. The total covered employees derived from this tape was as follows:

	<u>Covered</u>	<u>Not Covered</u>	<u>Total</u>
Actives	54,639	3,925	58,564
Retirees	<u>31,560</u>	<u>543</u>	<u>32,103</u>
Total	86,199	4,468	90,667

Active covered employees include individuals who currently do not maintain active coverage but are employed by a corporate entity that provides postretirement coverage. Active employees not covered are individuals employed by a corporate entity that does not provide postretirement life insurance.

The following participant summaries appear at the end of this section:

Table C: Active participant age/service distribution

Table D: Retired participant age distribution

Table E: Participants by requested corporate groupings

#### Asset Data

The estimated market value of plan assets was reported by General American Life Insurance Company to be \$290,464,425 as of December 31, 1992.

Table C1

**SBC POSTRETIREMENT LIFE INSURANCE VALUATION****Active Total Participant Summary****January 1, 1993**

<u>Age/ Service</u>	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>	<u>Total</u>
<20	23	0	0	0	0	0	0	23
20-24	697	15	0	0	0	0	0	712
25-29	1,177	564	126	0	0	0	0	1,867
30-34	951	1,082	4,933	101	0	0	0	7,067
35-39	748	636	4,942	5,062	379	0	0	11,767
40-44	607	389	2,662	5,078	6,495	442	0	15,673
45-49	321	217	1,197	1,908	4,135	2,687	126	10,591
50-54	122	110	481	494	923	1,335	822	4,287
55-59	59	61	231	194	325	259	782	1,911
60-64	23	14	64	103	101	61	303	669
65+	2	3	15	11	7	3	31	72
Total	4,730	3,091	14,651	12,951	12,365	4,787	2,064	54,639

Average age: 41.4 years

Average service: 16.8 years

Average annual salary: \$36,256

Table C2

**SBC POSTRETIREMENT LIFE INSURANCE VALUATION**  
**Active Management Participant Summary**  
**January 1, 1993**

<u>Age/ Service</u>	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>	<u>Total</u>
<20	2	0	0	0	0	0	0	2
20-24	85	7	0	0	0	0	0	92
25-29	428	233	18	0	0	0	0	679
30-34	317	540	712	28	0	0	0	1,597
35-39	197	305	1,363	1,246	98	0	0	3,209
40-44	156	182	689	1,527	2,061	151	0	4,766
45-49	89	79	373	602	1,268	864	25	3,300
50-54	36	43	125	97	169	286	176	932
55-59	9	17	29	23	20	18	91	207
60-64	4	2	9	5	4	2	20	46
65+	<u>0</u>	<u>0</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>2</u>	<u>6</u>
Total	1,323	1,408	3,320	3,529	3,621	1,321	314	14,836

Average age: 41.0 years

Average service: 16.4 years

Average annual salary: \$52,020

Table C3

**SBC POSTRETIREMENT LIFE INSURANCE VALUATION**  
**Active Nonmanagement Participant Summary**  
**January 1, 1993**

<u>Age/ Service</u>	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>	<u>Total</u>
<20	21	0	0	0	0	0	0	21
20-24	612	8	0	0	0	0	0	620
25-29	749	331	108	0	0	0	0	1,188
30-34	634	542	4,221	73	0	0	0	5,470
35-39	551	331	3,579	3,816	281	0	0	8,558
40-44	451	207	1,973	3,551	4,434	291	0	10,907
45-49	232	138	824	1,306	2,867	1,823	101	7,291
50-54	86	67	356	397	754	1,049	646	3,355
55-59	50	44	202	171	305	241	691	1,704
60-64	19	12	55	98	97	59	283	623
65+	2	3	13	10	6	3	29	66
Total	3,407	1,683	11,331	9,422	8,744	3,466	1,750	39,803

Average age: 41.5 years

Average service: 17.0 years

Average annual salary: \$30,380

Table D1

**SBC POSTRETIREMENT LIFE INSURANCE VALUATION****Retired Total Participant Summary****January 1, 1993**

<u>Age</u>	<u>Retired Before 1984</u>	<u>Retired After 1984</u>	<u>Total</u>
<45	0	218	218
45-49	10	1,323	1,333
50-54	22	2,357	2,379
55-59	223	3,210	3,433
60-64	<u>1,740</u>	<u>4,397</u>	<u>6,137</u>
Total <65	1,995	11,505	13,500
65-69	3,671	3,704	7,375
70-74	3,520	1,012	4,532
75-79	2,174	31	2,205
80-84	1,902	0	1,902
85-89	1,478	0	1,478
90+	<u>568</u>	<u>0</u>	<u>568</u>
Total >65	13,313	4,747	18,060
Total All	15,308	16,252	31,560
Average age under 65:	57.8 years		
Average age over 65:	73.7 years		
Average age total:	66.9 years		



Table D2

**SBC POSTRETIREMENT LIFE INSURANCE VALUATION**  
**Retired Management Participant Summary**  
**January 1, 1993**

<u>Age</u>	<u>Retired Before 1984</u>	<u>Retired After 1984</u>	<u>Total</u>
<45	0	111	111
45-49	0	1,103	1,103
50-54	5	1,665	1,670
55-59	33	1,545	1,578
60-64	<u>436</u>	<u>1,619</u>	<u>2,055</u>
Total<65	474	6,043	6,517
65-69	907	1,203	2,110
70-74	896	322	1,218
75-79	608	15	623
80-84	570	0	570
85-89	447	0	447
90+	<u>151</u>	<u>0</u>	<u>151</u>
Total>65	3,579	1,540	5,119
Total All	4,053	7,583	11,636
Average age under 65:	55.8 years		
Average age over 65:	73.8 years		
Average age total:	63.7 years		

Table D3

**SBC POSTRETIREMENT LIFE INSURANCE VALUATION**  
**Retired Nonmanagement Participant Summary**  
**January 1, 1993**

<u>Age</u>	<u>Retired Before 1984</u>	<u>Retired After 1984</u>	<u>Total</u>
<45	0	107	107
45-49	10	220	230
50-54	17	692	709
55-59	190	1,665	1,855
60-64	<u>1,304</u>	<u>2,778</u>	<u>4,082</u>
Total<65	1,521	5,462	6,983
65-69	2,764	2,501	5,265
70-74	2,624	690	3,314
75-79	1,566	16	1,582
80-84	1,332	0	1,332
85-89	1,031	0	1,031
90+	<u>417</u>	<u>0</u>	<u>417</u>
Total>65	9,734	3,207	12,941
Total All	11,255	8,669	19,924
Average age under 65:	59.6 years		
Average age over 65:	73.6 years		
Average age total:	68.7 years		

Table E

**SBC POSTRETIREMENT LIFE INSURANCE VALUATION****Participants By Corporate Entity****January 1, 1993**

	<u>Active</u>	<u>Retired</u>	<u>Total</u>
SBC Asset Management, Inc.	61	7	68
Associated Directory Services, Inc.	355	16	371
SB International Holdings, Inc. / Mast International, Ltd.	55	2	57
SBC Management Services, Inc. and Subsidiaries*	760	62	822
SB Printing Company**	30	7	37
SB Technology Resources, Inc. / SB Interactive Technologies, Inc.	198	1	199
SB Telecommunications, Inc.	851	31	882
SB Telephone Company	49,892	31,156	81,048
Times Journal Publishing Company	147	1	148
SB Yellow Pages, Inc.	<u>2,290</u>	<u>277</u>	<u>2,567</u>
Total	54,639	31,560	86,199

\* SBC Administrative Services, Inc.  
 SB Audit Services, Inc.  
 SBC Corporate Services, Inc.  
 SBC Personnel Services, Inc.  
 SBC – Washington, Inc.

\*\*as of 1/31/93

## **SECTION VI -- SUMMARY OF ACTUARIAL METHOD**

### Projected Unit Credit Actuarial Cost Method (Service Prorate)

Expected benefits payable in the event of retirement based on the applicable actuarial assumptions are determined for all active and retired participants. The actuarial present value of these expected benefits constitutes the expected postretirement benefit obligation.

The projected benefits are allocated proportionately to each active participant's years of service through the expected retirement date. The service cost is equal to the actuarial present value of the benefits allocated to the current year; the accumulated postretirement benefit obligation is equal to the actuarial present value of the benefits allocated to all prior years.

The accumulated postretirement benefit obligation for participants currently receiving benefits and for active participants currently eligible for full benefits is the actuarial present value of the benefits expected to be paid. No service costs are calculated for these participants.

### Assets

Forecasted assets were based on the projected value of the Retirement Funding Account. The Retirement Funding Account was projected assuming:

1. Advance funding of benefits continues for all groups (except Associated Directory Services) using the aggregate cost method and excluding from the liability calculations:
  - Benefits for participants (i) under age 50 with less than five years of service, or (ii) age 50 or older and age plus service less than 55
  - Benefits for key employees, based on the estimated key employee group on January 1, 1993
  - Benefits in excess of \$50,000 for the remaining participants
2. Benefit payments from the account are limited to \$50,000 for any individual.
3. Employer contributions are made on the last day of the plan year for which they apply.

## **SECTION VII -- SUMMARY OF ACTUARIAL ASSUMPTIONS**

(1)	Discount Rate	7.5% per year, compounded annually
(2)	Long-term Asset Return Rate	8.0% per year, compounded annually
(3)	Mortality	
	(a) Active Employees	Rates from 1991 6-year experience study (rates shown in Exhibit B of postretirement health report)
	(b) Retired Employees/Spouses	Rates from 1991 6-year experience study (rates shown in Exhibit B of postretirement health report)
(4)	Retirement	Rates from 1991 6-year experience study (rates shown in Exhibit C of postretirement health report)
(5)	Separation from Service	Rates from 1991 6-year experience study (rates shown in Exhibit D of postretirement health report)
(6)	Disablement	None
(7)	Salary Increase	Management rates from 1991 5-year experience study; same rates used for nonmanagement employees (rates shown in Exhibit E of postretirement health report)

(8)	Marital Status	Used for Associated Directory Services dependent coverage (rates shown in Exhibit F of postretirement health report)
(9)	Future Retiree Participation	100%
(10)	New Entrants	For purposes of the forecast, new entrants were added to maintain a stable population. Average hire age is 31. Average salary at hire increases 5%
(11)	Administrative Expenses	\$7.10 per retiree in 1993, increasing 5% per year, compounded annually
(12)	AT&T Transfers	None
(13)	Accrued/Prepaid Expense on January 1, 1993	\$0

**SBC POSTRETIREMENT LIFE INSURANCE VALUATION**  
**Basic Valuation Results – SB Telephone Company**  
**(\$000)**

<u>Year</u>	<u>Claims</u>	<u>EPBO</u>	<u>APBO</u>	<u>Assets</u>	<u>Service Cost</u>	<u>Expense</u>	<u>Expense as % of Payroll</u>
1993	\$11,833	\$307,545	\$248,474	\$265,309	\$4,500	\$2,263 *	0.13%
1994	11,960	319,004	259,678	273,483	4,767	2,739	0.15%
1995	12,113	331,392	271,877	282,163	5,045	3,259	0.17%
1996	12,346	344,739	285,132	291,540	5,323	3,802	0.19%
1997	12,665	359,042	299,438	301,409	5,606	4,391	0.21%
1998	13,160	374,272	314,791	311,742	5,858	4,987	0.23%
1999	13,783	390,378	331,054	322,393	6,087	5,600	0.25%
2000	14,647	407,292	348,136	333,333	6,254	6,185	0.27%
2001	15,581	424,941	365,783	344,382	6,417	6,799	0.29%
2002	16,686	443,250	383,960	355,511	6,530	7,392	0.31%
2003	17,874	462,181	402,478	366,606	6,621	7,987	0.32%
2004	19,230	481,677	421,249	377,620	6,661	8,552	0.34%
2005	20,669	501,674	440,065	388,441	6,682	9,114	0.35%
2006	22,214	522,090	458,823	399,001	6,690	9,677	0.36%
2007	23,829	542,853	477,394	409,235	6,695	10,248	0.37%
2008	25,561	563,888	495,690	419,093	6,688	10,812	0.38%
2009	27,326	585,125	513,554	428,501	6,705	11,405	0.39%
2010	29,205	606,480	530,947	437,744	6,695	11,945	0.40%
2011	31,033	627,915	547,685	446,083	6,745	12,572	0.41%
2012	32,842	649,358	563,835	453,863	6,836	13,244	0.42%

\* Excludes Transition Asset of \$ 16,835,000 taken in 1993 expense

**SBC POSTRETIREMENT LIFE INSURANCE VALUATION**  
**1993 Liability Breakdown – Total Corporation**  
**(dollars in thousands)**

	<u>Management</u>	<u>Nonmanagement</u>	<u>Combined</u>
<u>Participation</u>			
Retired	11,636	19,924	31,560
Active	<u>14,836</u>	<u>39,803</u>	<u>54,639</u>
Total	26,472	59,727	86,199
 Expected 1993 Claims	 \$6,479	 \$5,597	 \$12,076
 <u>EPBO</u>			
Retired	\$83,100	\$79,001	\$162,101
Active	<u>60,996</u>	<u>101,564</u>	<u>162,560</u>
Total	144,096	180,565	324,661
 <u>APBO</u>			
Retired	\$83,100	\$79,001	\$162,101
Active	<u>35,476</u>	<u>60,530</u>	<u>96,006</u>
Total	118,576	139,531	258,107
 Service Cost	 \$1,907	 \$3,081	 \$4,988



# **Telephone Concession Benefits**